(i) Units have been found to be non-viable due to wrong/inadequate project appraisal, technological obsolescence, financial problems, etc.

(ii) Compromise proposal recommended by banks not accepted/followed by the companies.

(iii) Increase in input cost/recession in industry/power cuts, etc.

(iv) Closure of Units.

(v) Diversion of funds to other projects.

(vi) Business failure due to stiff competition etc.

Misclassification of Government Expenditure

897. SHRI O.P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether the Ministries/Departments of the Government of India have not been preparing their budget estimates with adequate application of mind and have also not been keeping constant and effective watch over the trend of expenditure;

(b) if so, the reasons therefor and the steps taken to check such irregularities in future;

(c) the number of cases of the type that have come to light in the last five years; and

(d) whether Government departments/Ministries have been misclassifying the expenditure to hide overspending?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY) : (a) and (b) The procedures to be followed for framing of Budget Estimates are laid down in the General Financial Rules of the Government. Supplementary instructions are also issued from time to time. Based on these Ministries/Departments prepare their budget proposals.

The actual expenditure is incurred against appropriate sanctions and the flow of expenditure during the year is closely monitored with reference to the sanctioned provisions.

(c) Cases where excess over the sanctioned provision have occurred during the five years upto 1991-92 are given in the statement (*See* below).

(d) No such instances of deliberate misclassification of expenditure have come to notice.

Statement

Number of cases of excess expenditure over sanctioned provision yearwise for 5 years from 1987-88

(Rupees in crores)

Year	Total number of Demands	Total number of Demands in which excess expenditure occurred	Total Appropriation	Total aomunt of excess	Percentage of (5) to (4)
1987-88	92	13	239900.36	146.74	0.06
1988-89	94	7	231588.08	263.41	0.11
1989-90	95	10	252411.51	780.40	0.31
1990-91	95	7	252890.66	627.73	0.25
1991-92	98	7	232519.05	104.27	0.04